

EXHIBIT “1”



TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA
P.O.Box 650293
Dallas, TX 75265-0293

11/08/2021

Stephen B Kaufman
3397 E Tremont Ave
Bronx, NY 10461

Insured:	Stephen B Kaufman P.C.
Claim Number:	[REDACTED]
Policy Number:	[REDACTED]
Date of Loss:	09/02/2021
Loss Location:	3397 E. Tremont Ave. Bronx, NY

Dear Mr. Davidson,

I am following up on our recent conversation about your claim. As we discussed, after researching this claim, Travelers Casualty Insurance Company Of America determined that your policy does not cover interior water damages to your rental unit without the building first sustaining a storm created opening that allowed the water to enter the building. Your policy also does not cover damages caused by flood, ground surface or subsurface water, sewer or sump backup or overflow. The reasons for this determination are outlined below.

You presented a claim for interior water damages to your rental unit. We inspected the damages with you and your landlord after permission was given to access the roof by your public adjuster and landlord on 10/20/2021. Our research found the damages to the interior of your rental unit were due to water which entered the building without first sustaining damages to the exterior of the building. As you stated in your email, the insured nor their contractor took any photos or any other documentation after the loss occurred documenting any storm damages to the exterior of the building therefore there is no evidence of proof of loss indicating the exterior of the building sustained a storm created opening which allowed the water to enter. Since the interior water damages to your rental unit were caused by water which entered the buildings roof without the building first sustaining a storm created opening, coverage is therefore not afforded. During the initial onsite inspection completed by the prior claim professional Tabitha Frazier on 9/13/21, Wanda a representative from your business stated the damages to your basement were due to water entering the basement from the exterior basement door, therefore damages to the basement were caused by by flood, ground surface or subsurface water, sewer or sump backup or overflow which are specifically excluded, your policy does not provide coverage.

As a reference, I have provided the following section of your policy, (MP T1 02 02 05), which explains that this type of loss is not covered:

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

1. Covered Property Covered Property, as used in this Coverage Form, means the type of property described in this Paragraph A.1., and limited in Paragraph A.2., Property Not Covered, if a Limit of Insurance is shown

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4. Covered Causes of Loss RISKS OF DIRECT PHYSICAL LOSS unless the loss is:
 - a. Limited in Paragraph A.5., Limitations; or

b. Excluded in Paragraph B., Exclusions.

5. Limitations

a. We will not pay for loss of or damage to:

- (1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

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g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or sewage that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings;
 all whether naturally occurring or due to man made or other artificial causes.

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2. We will not pay for loss or damage caused by or resulting from any of the following:

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- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

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3. We will not pay for loss or damage caused by or resulting from any of the following under Paragraphs a. through c. But if an excluded cause of loss that is listed in Paragraphs a. and b. below results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.

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c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance; of part or all of any property on or off the described premises.

E. PROPERTY LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

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3. Duties in the Event of Loss or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken. This duty does not apply to loss or damage arising from "employee dishonesty" and "forgery" or alteration.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) For loss or damage from other than "employee dishonesty" or "forgery" or alteration send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

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- (9) Cooperate with us in the investigation and settlement of the claim.
 - (10) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

This decision is based on the information and documentation we received during our research of this claim. If you are aware of any new or different information or documentation that might lead us to reconsider our decision, please contact me immediately.

Your policy may have other terms, conditions and exclusions that apply to this claim. We do not waive any rights, including our right to deny coverage, for any other valid reason under the policy or at law.

Please note, your policy contains a suit limitation period of two years from the date of the loss in which to file suit regarding this claim.

The State of New York requires us to provide the following information.

"Should you wish to take this matter up with the New York State Department of Financial Services, you may file a complaint with the Department either on its website at www.dfs.ny.gov/consumer/fileacomplaint.htm or you may write to the Consumer Assistance Unit, New York State Department of Financial Services, at: One State Street, New York, NY 10004; One Commerce Plaza, Albany, NY 12257; 1399 Franklin Avenue, Garden City, NY 11530, or 535 Washington Street, Suite 305, Buffalo, NY 14203."

If you have any questions, please contact me at (860)247-8604 or NKINN@travelers.com.

Sincerely,

Nathaniel L Kinn
Claim Professional
Direct: (860)247-8604
Office: (877)872-8228 Ext. 172
Fax: (800)688-1493
Email: NKINN@travelers.com

CC: CAPITAL SHIELD AGENCY IN